Health By Numbers
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EDITED BY JAY S. BUECHNER, PHD

The Value Equation: Costs and Quality of Rhode Island's Health Plans

Bruce Cryan, MBA, MS

Two health plans, **Blue Cross and Blue Shield of Rhode Island (Blue Cross)**, and **United Healthcare of New England (United)**, provide health coverage to a large majority of **Rhode Island (RI)** residents who are commercially insured. To assess whether the purchasers of these plans' products are receiving value, one must necessarily examine its two components, cost and quality. For Rhode Islanders to receive good returns from their expenditures for health insurance, that coverage should be equally or less expensive and deliver the same or better quality services than similar plans elsewhere. Information about how these two plans perform is therefore essential to evaluating their relative value.

In response to this need for information, the RI General Assembly passed the Health Care Accessibility and Quality Assurance Act in 1996 (Rhode Island General Laws 23-17.13).[1] The Act instituted health plan performance reporting in the state, which is summarized annually, and most recently in the *Rhode Island Health Plans' Performance Report (2006)*.[2] The information presented here is derived from that report.

METHODS

The Rhode Island Department of Health's Center for Health Data and Analysis conducts an annual health plan data collection from three primary audited sources: Statutory Filings to the state's Department of Business Regulation and **Health Plan Employer Data and Information Set (HEDIS)** reports and **Consumer Assessment of Healthcare Providers and Systems (CAHPS)** survey data submitted to the Department of Health.[3]

From these data, 32 measures are evaluated, comprising eight separate dimensions of performance (enrollment, costs, utilization, prevention, screening, treatment, access, and satisfaction). For definitions of these measures, see the source report.[2] To ascertain relative performance, the measures for each plan are compared to the average of all commercial health plans in New England.[3]

RESULTS

Of Rhode Island's 342,000 commercially insured population, most are covered by two carriers, Blue Cross, with a 2006 market share of 64.8%, and United, with a share of 14.6%. The remainder of the market (20.6%) consists of a

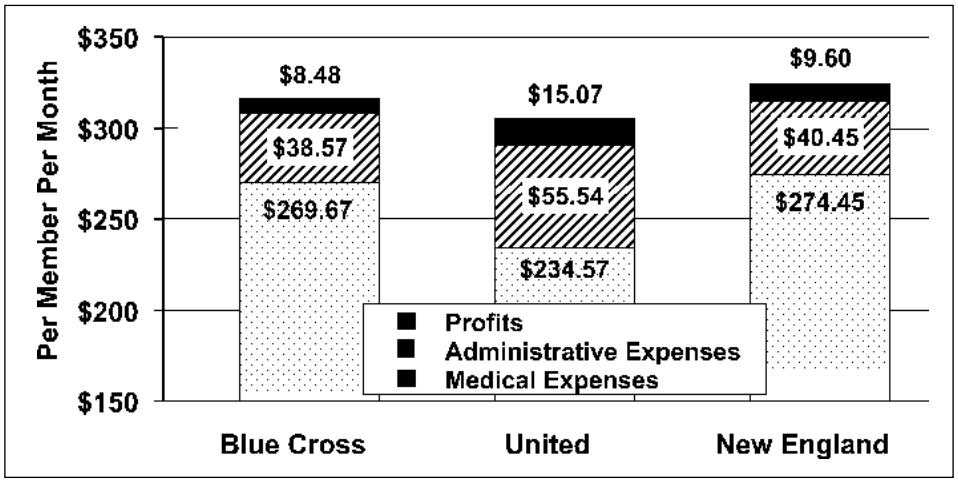

Figure 1. Average health plan premium per member per month, by component, Blue Cross of Rhode Island, United Healthcare of New England, and New England aggregate, 2006.

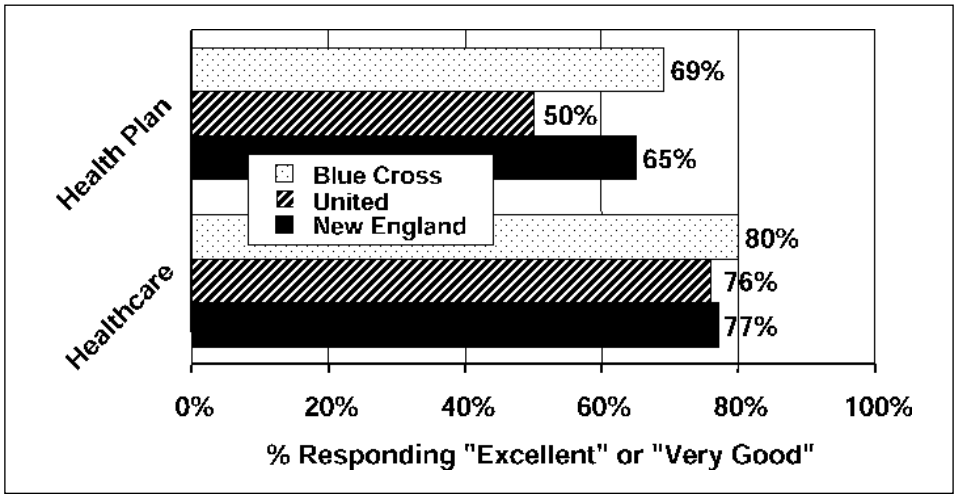

Figure 2. Health plan member satisfaction with health plan and health care, Blue Cross of Rhode Island, United Healthcare of New England, and New England average, 2006.

Table 1.
Health Plan Clinical Performance Measures, Blue Cross of Rhode Island, United Healthcare of New England, and New England Average, 2006

Dimension/Measure	New England Average	Relative to New England Average	
		Blue Cross	United
Prevention			
Childhood Immunization	82.3%	=	=
Adolescent Immunization	80.5%	-13%	-12%
Smokers Advised to Quit	78.5%	=	+7%
Smokers Advised on Medications	52.4%	-5%	-9%
Smokers Advised on Methods	52.0%	=	+15%
Screening			
Colorectal Cancer Screening	64.9%	=	-6%
Breast Cancer Screening	78.8%	=	=
Cervical Cancer Screening	85.7%	=	=
Chlamydia Screening	44.4%	-11%	-12%
Diabetes: Eye Exam Screening	68.7%	-7%	-8%
Diabetes: HbA1c Tested	91.5%	=	=
Treatment			
Beta Blocker Treatment	99.3%	=	=
Cholesterol Controlled	62.4%	-5%	-14%
Appropriate Asthma Medications	91.6%	=	=
Antidepressant Medication Management	27.4%	-7%	-12%
Access			
Follow-up for Mental Illness	85.2%	-7%	=
Prenatal Care	96.1%	=	-12%
Postpartum Care	85.5%	+5%	-15%
Well Child Visits	84.0%	=	=
Adolescent Well-Care Visits	60.0%	=	=

Note: "=" indicates that the relative difference from the New England average is less than +/- 5%.

number of smaller plans, none of which are domiciled in Rhode Island. [Note that these data include only the insurers' "fully-insured" members and exclude members of plans where the purchaser (employer) is self-insured.]

On average in 2006, commercial health insurance cost slightly less in RI than in New England. (Figure 1) Blue Cross' monthly premiums were 2% lower than regional premiums ($317 vs. $325), and United's premiums were 6% lower ($305 vs. $325). In addition, both RI plans spent relatively less on medical services for their members (2% less for Blue Cross and 15% less for United).

With few exceptions, both Blue Cross and United generally performed at or below average when their clinical quality measures were compared to the New England values. (Table 1) For Blue Cross, 12 of its 20 quality measures were equivalent to the regional averages, one measure was better, and the remaining seven were worse than these comparables. For United, nine of its 20 quality measures were equivalent to the regional averages, two measures were better, and the remaining nine were worse than these comparables. Given that New England health plans consistently post some of the highest quality (and satisfaction) scores in the country, this regional comparison provides a rigorous benchmark for RI plans.

In addition to an individual plan's relative performance on the clinical measures, the absolute values on some of the clinical measures are worth examination. For example, the low rates of chlamydia screening (Blue Cross: 40%; United: 39%) and antidepressant medication management (Blue Cross: 26%; United: 24%) highlight the need for further improvement in these areas.

Proxy measures of whether members perceive value in their plans may be obtained from member satisfaction surveys. Member satisfaction with Blue Cross' performance as a health plan was 4 percentage points higher than the regional rate in 2006 (69% versus 65%), while member satisfaction with United was 15 percentage points below that comparable (50% versus 65%). (Figure 2) There was little difference in members' satisfaction with their healthcare services between the two plans and in comparison with the New England rate. Interestingly, regardless of geographic area or health insurer, more members were satisfied with their healthcare services than with their health plans.

Discussion

Increasingly, the public, purchasers, providers, and policymakers are requiring meaningful information about health plans. Since 1998, the Department of Health has tracked the performance of this industry and produced annual reports on the subject.[2]

With the small number of health plans in the state and the market dominance of Blue Cross, most Rhode Islanders have limited choice of carrier. The lack of widespread selective contracting also means that most plans deliver services through a similar network of physicians, hospitals, and other providers, and the lack of differentiation between the two plans in their healthcare satisfaction rates bears this out.

Therefore, the real value in publishing this information is less in aiding consumer choice and more in fostering accountability of the industry. Purchasers deserve to know how well the plans are performing and policymakers need empirical evidence to inform their efforts. An added benefit is that the performance of health plans will likely improve if for no other reason than the results are made public.

Bruce Cryan, MBA, MS, is a Health Policy Analyst in the Center for Health Data and Analysis, Rhode Island Department of Health.

Disclosure of Financial Interests

The author has no financial interests to disclose.

References

1. See http://www.rilin.state.ri.us/Statutes/TITLE23/23-17.13/INDEX.HTM.
2. Cryan B. *Rhode Island Health Plans' Performance Report 2006*. Providence RI: Rhode Island Department of Health and Office of the Health Insurance Commissioner. In press.
3. For information on the HEDIS and CAHPS programs, see the website of the National Committee for Quality assurance (NCQA) - http://www.ncqa.org.